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SOCIALISM

AND

COLLECTIVISM.

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THE COLLECTIVIST SOCIETY
PAMPHLETS.

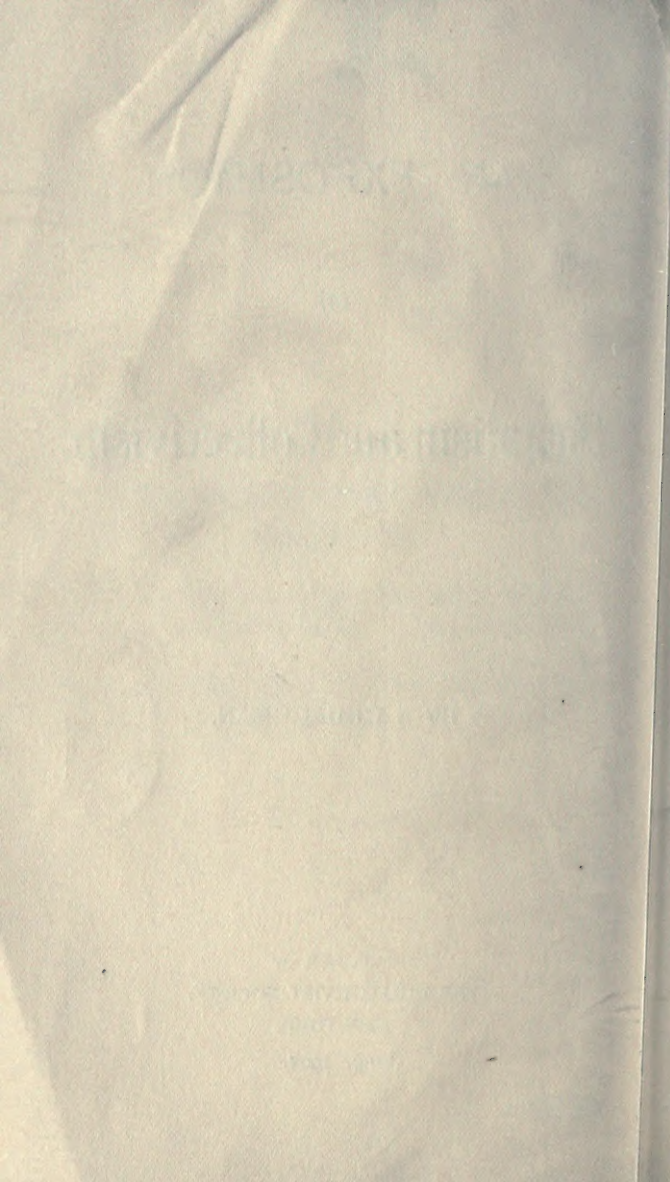
No. 1. An Exposition of Socialism and Collectivism.
By a Churchman. 48 pages. (*Second Edition.*)

No. 2. The Next Step: A Benevolent Feudalism.
By W. J. Ghent. 32 pages.

AN EXPOSITION
OF
Socialism and Collectivism.

BY A CHURCHMAN.

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AN EXPOSITION OF Socialism and Collectivism.

By a CHURCHMAN.

I. DEFINITIONS.

Although often used interchangeably, a distinction may well be made between the two terms socialism and collectivism. Collectivism is the newer word, first used by French writers, and later by German and English, to denote the economic side of socialism. In brief, then, socialism is a doctrine, a belief, a religion; collectivism is an external scheme, a proposed institutional system, embodying more or less perfectly the idea of socialism.

Socialism is the doctrine of the socialization of production and distribution; it starts by recognizing that the making and distributing of commodities are functions not of the individual but of society; it perceives that these functions can be rightly carried on only by

being subject to the collective conscience and intelligence of society ; and it holds that the sole animating purpose of the plan by which society is to carry on industry must be the welfare of all the human beings who make up society. In brief, the idea of socialism is to apply the common sense of mankind to the common task of mankind.

To make the distinction between socialism and collectivism clear, let us consider the parallel distinction between free education and the public school system. Free education is a doctrine, the public school system is the visible organization through which the doctrine is put into practice. In the doctrine we have true socialism, and in the working system we have an installment of collectivism. For free education, to which the American people are so steadfastly devoted, is a fundamentally socialistic demand, involved in the dogma of socialism : "From each according to his ability, to each according to his need." The present school system gives us this doctrine in a visible result : the demand, "from each according to his ability," is attained by the school tax ; the distribution, "to each according to his need," is attained, in some measure at least, by teaching all children the "three Rs" and a little more ; as much, that is, as the popular judgment up to the present time deems needful.

II. SOCIALISM AND CHRISTIANITY.

I have said that socialism is a religion. Considering the reverence, the devotion, the satisfaction to the craving for an ideal which it inspires in its adherents, and the disinterested activity which it calls forth from them, this is none too much to say. And considering the identity of its formula with the great primary human doctrine of Jesus—that to render service is the be-all and the end-all—socialism is entitled to be called the ethical religion of Jesus in the application to-day most needed by mankind.

- * This identity of socialism with Christianity has been often pointed out. It has been insisted upon by divines such as Charles Kingsley, Frederick Denison Maurice and Stopford Brooke. It is pointedly stated by the author of the article on socialism in the "Encyclopedia Britannica," who says: "The ethics of socialism are closely akin to the ethics of Christianity, if not identical with them." And that it is a truth which gains every day a more widespread recognition is apparent from the unquestioned growth of socialistic thought among the Christian men and women of England and our own country, and the remarkable number of conversions to outspoken socialism among Christian ministers.

It is true that in the countries of continental Europe this interior identity has not become so apparent. The organized socialists in those countries consider themselves generally as opponents of Christianity ; and this is quite natural, since official Christianity there has set itself strongly against the socialist movement from the beginning. The so-called " Christian socialist " movements of Germany and France were organized and fostered to combat socialism, and they have carried out this initial program. The result has been little else than the widening of a deplorable and unnatural breach.

But in the United States the case is different. Not only is there a constant increase in the number of real Christian socialists, but in the socialist party itself the element which is Christian in name as well as in spirit is rapidly becoming dominant. In New Jersey, for example, during the recent active campaign, the socialist candidate for governor was a Universalist minister ; the most prominent speaker after him a Methodist minister ; the chairman of the state committee a Presbyterian in good standing and the organizer a good Methodist. In the speeches of these men and of their colleagues the identification of socialism with the religion of Jesus was continually made.

III. THE SOCIALIST INDICTMENT OF THE PRESENT ORDER.

Socialists hold that it is the obligation of the community—of the aggregated intelligences and consciences of the people—to see that the principle—"From each according to his ability, to each according to his need"—is made effective. They are convinced that this principle ought to be put into institutional form, and that industry ought to be carried on in accordance with it. They maintain that our present way of leaving the supplying of the needs of the people for work and for the products of work to the initiative of private individuals is crude and wasteful ; that it stints enormously the average of human comfort otherwise attainable, that it results in great and unjust inequalities of possessions and that it dooms the unsuccessful to misery perpetual and appalling. Private individuals necessarily carry on industry, *not* primarily for supplying needs, but for making profit ; they produce for sale, not for use. One result of this motive for production is the heaping up of a vast volume of commodities of little intrinsic utility or beauty, but which, for one reason or another, can be sold ; and another result is that the bare necessities of many of the people must remain unsatisfied.

According to socialists, the present manner

of production is crude, because it is haphazard, speculative, without organization, without unity of action. It is enormously wasteful, because it necessitates diffusive and multiplicative industry—the expenditure of time, labor and capital in a thousand scattered places upon an identical commodity which might more advantageously be produced in a single workshop. It stints the average of human comfort because it employs labor in a constant warfare of cross purposes; whereas the setting free of labor now employed competitively against other labor, and its direction into other channels of needful production would increase from three to five fold the productivity of mankind. Finally, the present manner of production results in great inequalities of holdings because it sets no limits to the exploiting power of capital; it divorces the workman from his tools and materials, and makes him dependent for his bread on the sale of his muscle-power (of which the supply is almost always in excess of the demand under capitalism) at the price the employer is willing to pay, and it grants to the employer the right to take to himself the entire volume of the net surplus product. The present manner of production, therefore, does not exemplify the socialistic principle. Rather it reverses it; broadly speaking, it takes from each according to his need and gives to each according to his shrewdness.

The socialist's contention is that the present way of carrying on the world's industry, not through a planned and rational system, but by leaving production and distribution to the chances of individual competition, is a discredit to man the intellectual being, to man as disciple of science ; and that equally is the heartlessness of the present method unworthy of man as moral and spiritual being, as disciple of Christ. From the Christian point of view, the principle which should rule in this field, as in every other, is that laid down by Christ (in His usual form of a concrete instance) namely, that man's welfare is supreme over outward institutions—that commerce is made for man, not man for commerce. In our present civilization (of which the factory is the type) men, women and children are cogs in the wheels of industry, which turn by intention, not for the sake of the human beings concerned, but for the sake of the grinding on of the machinery itself, and of the profit it grinds out for those who are its legal owners. Mercilessly the machine feeds upon the life of the individual so long as he has life which it can absorb, and remorselessly it breaks his heart and flings him away when it can use him no longer.

The volume of misery among the poorest classes, the final victims of the process, is in almost all non-socialistic countries simply appalling, so appalling that the misery of an

ordinary battlefield becomes light in comparison. The gauge for these relative quantities of suffering may perhaps be found in the fact that the average young aristocrat is willing enough to expose himself to the one, even though there be not much chance of honor and glory, whereas his voluntarily exposing himself to the other (for even the labor of well-to-do people among the extremely poor and their temporary abnegation of creature comforts is by no means a full exposure) is, of course, utterly out of the question.

This volume of misery is not only appalling in intensity and amount, but—at all events in the case of a new country like America, which is being gradually filled up, and where, moreover, people are thrown out of employment by the rapid consolidation of industry—is almost certain to increase enormously unless steps of a socialistic or semi-socialistic nature are taken. And these steps moreover would have to be not merely the making comfortable of those who are now in steady employment by large corporations (a process which is already under way), but definite steps for the amelioration of the lot of the unemployed or unsteadily employed fringe. The steps must in fact be a partial or total cancellation of the motto of individualism, “The devil take the *hindmost*.”

It is not only that the commonest sympathy with the heartrending distress, both physical

and mental, which the "hindmost" have to undergo dictates such a course ; but it is demonstrated by every-day experience that the demoralization even of those steadily employed is a practically necessary consequence of the existence of this outermost fringe and of the consequent dread of poverty on the part of those who are in steady employment. The employees who belong to the comfortable majority, and who are in steady employment at liberal rates of pay, are in continual and well-grounded dread that, if they lose the favor of their employers, they will sink almost immediately to the rank of the destitute fringe. The result, as seen in daily life, is a vast system of demoralization whereby all but the naturally very honorable and generous are tempted to act meanly, on occasions, to their fellow employees in order, above all things, not to stand *last* in the favor of their employers.

No man, except the most short-sighted or careless, is free from the terror of poverty, for himself or for his loved ones. It is in every case but a reasonable foresight of a real danger, and this is true whether the man has or has not property. These individual fears form a black cloud hanging over mankind and never dispelled. Yet, to the sense of the socialist, all this aggregated terror is but society's nightmare which will vanish any instant when society awakes.

Meantime, while the nightmare lasts, we act as we would not. Its evil influence presses upon all—presses strongly upon those who are placed as the leaders and teachers of the people—upon statesmen, editors, ministers, professors. Ever in the background of their minds is the warning, "Don't displease the wealthy," and this presence strangles many a true thought emerging into consciousness, many an honest word on its way to utterance. This clouding the mind of the thinker and hampering the tongue of the speaker, this poisoning of the stream of the people's wisdom at its springs, is a heavy part of the indictment which the socialist brings against our present scheme of industry. The extreme doctrinaire socialist denounces legislature, courts, press, college, church, as alike capitalistic institutions; while his more temperate brother-socialist recognizes that the men who compose these institutions are still men, far from being dehumanized; that they do not love the necessity which drives them, and that even those who bow before it at times, at other times do faithful work for the cause of the people. Yet he must acknowledge that the extremist is more than half right in his characterization.

To the Christian, socialism makes its appeal: *These agonies and these temptations, inherent in the competitive régime, are real, pressing and continuous; they are not necessary, since*

a feasible system lies at our hand which would abolish them ; how, then, can any man who is once informed, or once has it suggested to him, that there is such a system available, yet who remains indifferent, call himself still a follower of Jesus the lover of men ?

The socialist is convinced that so monstrous a method of carrying on the world's industry cannot continue much longer. Careful observation shows him that the world is even now awaking. The unsuccessful masses are determining that some better way must be found and tried ; the successful classes are becoming uneasy, their consciences no longer at peace ; the cry is going forth, " there cannot fail to be a better way than this ; it is our duty to find it." This cry reveals the spirit of inchoate socialism, to which the socialist responds, " Collectivism is, we are certain, the remedy you seek, but if there be a better, and one which arises out of the situation itself so that it can be developed from facts as they are, we shall be glad to know what it is, for we are not wedded to collectivism *per se*."

IV. DIFFERING DOCTRINES OF PROPERTY.

The present arrangements as to property rest upon legalism alone. They are not a deduction from the absolute principle of right as laid down by Jesus. Under the present arrangements, ownership of a given thing is not

determined by the test of the greatest diffusion of welfare. It is determined by quite another criterion—an abstract principle of law which rests on the assumption that *any bargain we can make is just and must be enforced*. At bottom the doctrine is that what a man makes or happens to possess is his until he trades it off, and that when he has transferred it, it belongs as fully to the party to whom it has been transferred. As regards land, the doctrine is that the government having at some time in the past recognized a certain individual as owner of a certain piece of land, its ownership in morals and in law passes on from him by transfer. This is the bargain-and-sale ethics of property. Its results do not comply with the doctrine of socialism, and it needs only a moment's reflection to see that it is far from being in accordance with the ethics of Jesus.

But what doctrine as to property is to take its place? The ultra school of socialists—the doctrinaire socialists—hold a new and opposite ethic of property, formulated some thirty-five years ago by Karl Marx, whom they revere as an authoritative teacher, and whose system of ethics they are convinced will come to be generally held. This system is based on the principle that *no exchange is valid unless it is equitable*, unless equal value is given for the thing taken; and the test of equality these doctrinaires hold to be the quantity of labor put

into the making of a thing. In other words, the doctrine is, that when a man has made a thing it is *his* sacredly, and his just title to it does not pass until he has exchanged it for something else which took an equal amount of labor to make; and that, if you take advantage of his ignorance or of his need to get it from him in exchange for something which cost you less labor to make, his title in morals remains in the thing he made for the excess of value, and no transfer ever affects that title.

This new doctrine of property is, again, not identical with the true Christian and final ethical criterion, which is *diffusion of welfare*, though its results are likely to be far more in harmony with the true ethics than are the results of the current bargain-and-sale doctrine.

However, the fact that the Marxist doctrine of property is a legalism and is not based on the principle of diffusion of welfare, does not of itself prove that it may not become the standard of the future; in fact the evolutionary socialist must admit that, considering the past and present of human nature, the next doctrine of property is likely to be a legalism of some sort; it will not consist in the reference of every question of ownership to the test of the greatest general good, but it will be a rule, or a series of rules. The unbiased socialist can, however, hardly convince himself that Marx

has foreseen the identical doctrine which is actually to come. Marx's doctrine has to him the look of a manufactured article and not of a natural growth.

The common-sense socialist, when he indulges himself in speculation over the outlines of the coming doctrine of property, does not mistake his logical fancy for real foresight. He holds that the new doctrine will be, not a cause, but a result of the new economy; from the past he infers that it will be no reasoned deduction from a basis of absolute ethics, but will consist in such ideas of justice as will spring up and grow spontaneously in the minds of a people accustomed to the collectivist arrangement. He does dimly perceive that the "*meum et tuum*" which looms so colossal now, will dwindle and that that "human welfare" which to most is at present but a pretty idea, will become the most pressing and vast of realities, and in some way the approximate standard of right. Further than this he does not venture or need to define.

V. THE TWO SCHOOLS OF SOCIALISM.

Among socialists there are, as I have already suggested, two schools—most suggestively designated, perhaps, as the doctrinaires and the possibilists. Roughly, they might be classed as, respectively, the German and the English

schools ; though there are doctrinaires in England and many possibilists in Germany. Or, in a general way, I might style them the acrimonious school and the genial school; though this would do injustice to individuals in either group.

The former of these two schools call themselves scientific, class-conscious, revolutionary socialists. In using the last of these terms they convey an incorrect impression of their attitude ; for they do not favor revolution in the ordinary historic sense. The revolution they mean is a reversal of *ideas and attitude*—first in the mass of the people and afterwards in the governments, which last they consider at present to be hostile to the working-class.

The pride of this school is in the self-assumed title of “scientific socialist,” and great is their scorn for the “sentimentalists,” as they call those socialists who do not accept their fundamental doctrine of property. As already shown, that doctrine is of the nature of a forecast in the field of human sentiment, and will not stand the tests to which everything claiming to be science must submit : hence the special title of “scientific ” cannot be conceded to the school.

Socialism in general, however, has for the last quarter of a century or more had a good claim to the standing of a scientific theory. It is no longer a mere appeal to mankind ; it has

become a reasoned conviction that there are certain causes clearly to be seen within the competitive method itself, which, in combination with certain other causes existing in human nature (at last set free to do their natural work by the lately acquired political equality of men) are sure to bring about the death of the competitive method—and that its place must be taken by a method fitter to survive, *i. e.*, a method which tallies more closely with the motives and the interests of the mass of men. The theory of socialism may, therefore, be considered to be a branch of the doctrine of evolution.

The other epithet which the ultra socialists apply to themselves—"class conscious"—refers to their doctrine that it is the historic mission of wage-earning people as a class to deliver the world from the dominance of capitalism, and hence that the socialist movement must consist of the working class, with casual allies from other classes. The alternate view is that this deliverance is the affair of the entire citizenship—that there is no man of whatever class or income who will not be in truth benefited by the coming of collectivism, and that with respect to socialism, there are simply the two classes of those who see and those who are blind.

Outside the doctrinaire school are those socialists whom I have mentioned as of the

possibilist, or genial school, and who are also called evolutionary socialists (because they anticipate a uniform process of change towards collectivism), and sometimes Fabian socialists on account of their antagonism to precipitancy.

The doctrinaire socialist has the same passionate, almost fanatic attachment to his special scheme of doctrine which the Christian sects have in the past had for their several creeds. The distrust which the devotee of theological doctrine of whatever stripe feels for the latitudinarian, the doctrinaire socialist feels for the possibilist, who, while substantially holding the same belief as to the right and wrong of things, thinks that the way most likely to get to the goal where we ought to be, is to move *step by step* in that direction.

The two schools hold differing views as to the doctrine of property, and their attitude is different toward the active people in the commercial world. The evolutionary socialist, while not denying that it is possible that the Marxist doctrine of property is to be the future standard in the general conscience of the world, holds that many of the Marxist socialists are unquestionably wrong in one respect—that is, in their assumption that the Marxist ethics are absolute and are and have always been binding on the consciences of men, and that all who have accumulated property through having hired others to work

for them have been exploiters and robbers. This assumption is an error in logic, and the invective continually indulged in by those who hold it is unjust and is very impolitic, as it repels even the fair-minded working man. These extremists are the most noisy element among the doctrinaires, partly because scolding is the easiest form of vigorous speech ; happily, however, they are not the growing element, and a few years of thought, with the mellowing influence of here and there a political victory, will doubtless bring the sensible and fair-minded element into control. Indeed, this liberalizing tendency is now rapidly prevailing in the Socialist party here ; as is perhaps best shown in the fact that among socialist papers that one which has vastly the largest and most rapidly growing circulation (the *Appeal to Reason*, which has a circulation of nearly 200,000) is of the most broad-minded and genial type.

The two schools hold also differing views as to the manner in which the great change is to come about. The doctrinaire thinks that the people, or the great majority of them, are first to be converted to socialist belief, and then that collectivism is to be established by the overwhelming power of the people.

The possibilist or opportunist idea is that collectivism is much more likely to come piecemeal ; that the public schools, the light-houses,

the public asylums, and the post-office are installments of collectivism and should be enthusiastically supported by socialists, while pressing for more of the same kind. The opportunist hails the movement (which has been so successfully carried out in other countries) towards municipal ownership of street railroads and lighting plants, and towards national ownership of railroads and telegraphs, as likely to add large tracts of industry to the domain of collectivism. He recognizes, to be sure, that the majority of those who are calling for these reforms are not socialists and desire them only because of the cheaper and better service which they would bring, but he expects that the effect of these changes will be to improve vastly the condition of the workers engaged in these particular services, for men doing the same kind of routine work in public service as others are doing for private employers have better pay, shorter hours, and are more highly thought of both by themselves and others. The opportunist expects that these preliminary collectivist changes once firmly established will suggest to the people others, both municipal and national. The cities and villages, for example, will see the utility of furnishing their own people at low prices with such necessities as coal, ice, drugs, milk. The argument in the mind of the average citizen, non-socialist or unconscious socialist, will be, "Why should we

let the dealers in these supplies make such enormous profits out of them, when we, the people, might get the benefit of these profits in lower prices?" After the nationalizing of the railroads and telegraphs the opportunist looks to see the people taking up one great monopoly after another and converting it into a national industry.

VI. SOCIALISM AND THE POLITICAL SITUATION.

To the eyes of the opportunist socialist the political situation of the near future bears an aspect at once interesting and hopeful. In a general way it may be said that all men in this Republic are born into one or the other of two classes—the class of men with instinctive leanings toward *free* government and the class of men with instinctive leanings toward *efficient* government. The Democratic party roughly approximates the former class and the Republican party the latter. This division has been apparent from the time of the Constitutional Convention of 1787 until now, and it will continue in the future. At the present time the instinct of the Republican party for order and construction is pulling it toward collectivism, to the violent distaste of its Platts, Elkinses and Quays; on the other hand the passion for the freedom of the individual is pulling the Democratic party toward collectivism, as a

bitter necessity, for it is coming to be recognized that greater social control is the only means by which the individual can be secured from the coming dominion of monopoly. The question is, which party will begin the work first? The two parties are not, as we have been accustomed to think, hostile armies, one necessarily right and the other wrong; they are the two armies of God, looking askance at each other, doing their work clumsily and often unwillingly, yet in fact assailing on different sides the strongholds of those ancient enemies of mankind—chaos and hunger and the spirit of cruel power.

The Republican party, unhappily, cares little for the benefit to the masses which collectivism would bring, for it is its instinct to scorn the unsuccessful; the Democratic party dislikes the task of collectivist organization, and it shuns the apparent inconsistency of reversing its historic principles. Nevertheless, it is beginning to gird itself for a new task. It is a striking commentary on the influence of modern conditions upon the ways of securing the principle of free action, that the independent Democrats of the South these last ten years, while calling themselves Jeffersonian Democrats, should have favored government ownership in many directions, showing that, in spite of the inheritance of the Jeffersonian tradition and of their insistence upon the Jeffersonian name, the economic tendencies of

the time have convinced them that what Jefferson strove for, namely, *real* democracy, is better secured by increased than by lessened social control ; and have led them to accept a large part of the collectivist program.

The Republican party is the party of efficiency, and any measure which it sees the people really and persistently demand, it will adopt as its own, and build successfully into law or institution. Moreover, when, for example, nationalization of railroads is seen to be inevitable, the great capitalists themselves will turn to the Republican party and propose that it should be done, because they know that they will be able to make better terms with the Republicans than with the Democrats. The terms will then be the matter of a genuine bargain between the capitalists and the leaders of the Republican party. The latter will not give all that the former desire; they will not give more than "the traffic can bear," for they will be most anxious and determined that the change shall turn out a success.

There are evidences not a few that the more sagacious leaders of the Republican party are prepared to accept a new code of political action. Mr. Roosevelt, now President of the United States, in his speech at Minneapolis, September 2d, 1901, spoke words which are significant of the new order. "We cannot possibly do our best work as a nation," he

said, "unless all of us know how to act in combination as well as to act each individually for himself. This acting in combination can take many forms, but, of course, its most effective form must be when it comes in shape of law—that is, of action by the community as a whole through the law-making body. No hard and fast rule can be laid down as to where our legislation shall stop in interfering between man and man, between interest and interest. All that can be said is that it is highly desirable, on the one hand, not to weaken individual initiative, and on the other hand, that in a constantly increasing number of cases we shall find it necessary in the future to shackle cunning as in the past we have shackled force.

"It is not only highly desirable, but necessary that there should be legislation which shall carefully shield the interests of wage-workers, and which shall discriminate in favor of the honest and humane employer by removing the disadvantage under which he stands when compared with unscrupulous competitors, who have no conscience and will do right only under fear of punishment. Nor can legislation stop with what are termed labor questions. The vast individual and corporate fortunes, the vast combinations of capital, which have marked the development of our industrial system, create new conditions and make neces-

sary a change from the old attitude of the state and nation toward property."

These words are packed with meaning; the step-by-step socialist could hardly ask a better platform than they furnish for the preliminary legislation he expects; in his view, when the benefit to be looked for from economic legislation is conceded, all is conceded; he has no doubts of the goal to which that path, once entered upon, must lead.

Another Republican statesman, of station not so high, goes further in his prognostication. (I quote from Carroll D. Wright, United States Commissioner of Labor.)

He says: "It must be granted that industrial conditions constitute the basis of society, and that all social reforms must hinge upon industrial conditions, and, therefore, the economic trend of these conditions toward what we popularly know as socialism constitutes a vital question." * * *

Further he says: "There are three forces that we must recognize in this economic trend toward socialism—the first, socialism itself, the weakest of the whole; the next strongest is organized labor; but the third and most powerful force that is driving this and other countries rapidly into state socialism is capital itself; and the capitalists, when you talk with them confidentially, do not hesitate to say that this is inevitably the result of their combinations."

He goes on to say : "Socialists feel that the trust, or the industrial combination, is an evidence of the power of combination to kill competition. These groups may become consolidated into greater groups, and finally into one group, and then the government takes the place of the combination. It is one of the tendencies of the times. It belongs to the trend."

Lastly he remarks : "If it is ever accomplished, it will come like all these other achievements of state socialism—as a matter of industrial evolution—and we shall find ourselves in the environment, and probably not quarrel with it." * * *

Quotations in abundance might also be made from semi-socialistic utterances of prominent Democrats, but utterances coming from leaders of the party which is in chronic opposition have not the interest which attaches to the sayings of leaders of the party which is normally responsible.

VII. THE TRANSITION.

Socialists are convinced that the more progressive nations are now ready, or will be ready by the time the majority of thinking people in them have become consciously socialists, to carry on an industrial system formally embodying socialism. That a transition from the old order to a new is now proceeding is a fact hardly

disputed, and apparent to most intelligent persons. It is furthermore evident, from observation, from study and from a reference to such significant utterances as those of President Roosevelt and Colonel Wright, that this transition is to continue, with an extension of scope and an increasing rapidity. There is, however, a deplorable misapprehension among many men as to the character of the process. It is dimly apprehended that almost revolutionary methods will be necessary. Yet it can safely be predicted that the required administrative changes will be so slight as hardly to cause a quiver in the industrial world.

The transition, when any one great concern is taken over by government, will be in fact a very gentle affair. Every employee, from the lowest rank to the highest, will continue doing the same work as before and will report in the same way to the same superior; at the top the president of the concern will continue to report to the board of directors; most of the directors even will be the same men as before, the only change being that they will receive their appointments from government instead of by election of stockholders (who will be transformed, like Mr. Carnegie, into bondholders). There is no great corporation but has encountered, in its life, shocks in comparison with which this change will seem but the incident of a day.

VIII. COMPENSATION.

Now comes the question which is so interesting to the inquirer, How is it proposed to compensate the capital holders who now possess the legal title to all the railroads and other industrial plants of the country? The doctrinaire socialist thinks that before collectivism is inaugurated the socialist doctrine will have thoroughly permeated the people; and that the proposition will be nearly universally recognized (even acknowledged by many of the capitalists themselves), that no compensation is called for, other than the perfect security of living and well-being which the former capitalist and his family, in common with all his fellow-citizens, will enjoy under the new regime, and which even the richest does not possess under the present regime.

The opportunist socialist, expecting as he does, that collectivism is coming bit by bit, that it will precede, not follow, the general acceptance of the socialist creed, realizes that compensation ought to be and *must* be made for each plant taken over by the people according to such standard as at the moment shall seem just to the great majority of the people and doubtless to nearly all those who are being compensated.

At a recent national convention of the socialist party of this country, one of the leaders

remarked that he did not think it would be economically possible, in taking over the industries of the country, to make compensation to the legal owners. The remark was probably made to humor some of the old-line doctrinaires, who are bitterly opposed to what they consider the intrinsic wrong of paying anything to redeem what the people have made and what in their view already belongs to them of right, as the extreme abolitionists thought it wicked to propose compensation to the slave-owners.

As a matter of applied mathematics, it is quite feasible to work out an arrangement for the redemption of the industrial plant of the country from the burden of private ownership; and such an arrangement made on terms which would seem fair even to the present sense of justice of the stockholders themselves and certainly to that of the people at large, would be economically possible. We may state it roughly in this way. Assume, what I believe is a large estimate, that the present aggregate wealth of the country, which means the articles made and not consumed, is equal to five years' production of the entire labor of the country; assume that the portion of such wealth which is in industrial plant is equal to four years' production; assume that the capitalists would claim, besides compensation for actual cost of reproducing their plant, an equal

amount for franchise value (which means anticipated future profits), and assume that the people in their generosity would allow them half of such extra claim, then it results that six years' labor of the people would redeem their industrial plant.

The land needed for carrying on the great industries must also be taken into account. The cost of this may fairly be estimated at no more than the actual value of the plant. This would make the entire cost of the transfer equal to the value of ten years' production of the people, taken at its present volume. We must further consider that the volume of production will increase rapidly and enormously—from the growth of population, and from the new systematization, under which useless labor will cease and all the people will be available for true social productivity. This systematization will not yield its full effect until after some years, but it will tell powerfully even from the first; and there can be no doubt that the two causes combined will suffice so to increase the productivity of the nation, as to cut down the number of years' production which it would take to offset the transfer from ten to six. This would mean that under collectivism each worker must give up his entire income for six years (of course an impossibility), or half of his income for twelve years (equally an impossibility), or a

quarter of his income for twenty-four years ; this last is by no means an impossibility and is probably less than the workers part with now, out of their earned income, for profits of private capital.

As a specimen forecast of the possible way of dealing with the several industries, let us take the case of the steel trust. The entire capital of the steel trust is thirteen hundred millions, consisting of three hundred millions of bonds, five hundred millions of preferred stock, and five hundred millions of ordinary stock. On the bonds the corporation is bound to pay five per cent. annual interest ; on the preferred stock it agrees to pay seven per cent. annual dividend, if possible ; and on the common stock it expects to pay four per cent. This makes the total interest and dividend charge which it intends annually to collect from the country seventy million dollars. The market value of the bonds and stock may be taken as representing what the government would pay for their cancellation, the total, at present quotations, being about nine hundred and eighty million dollars. For this last amount the government would issue its bonds which it could float at par without difficulty bearing not more than two per cent. interest, as they would be the safest investment in the world. These bonds should be redeemable at the pleasure of the government, and a sinking-fund should at once be set aside out of the

profits of this steel industry for their redemption. The total taken out of each year's profits for interest and sinking fund should be equal to four per cent. on the original issue of bonds, being a total annual charge on the steel industry of thirty-nine million dollars per annum, for both interest and sinking-fund, as against the seventy million dollars which the steel corporation is now charging for interest alone. The growth of the sinking-fund would be such that, assuming that the government continued to pay two per cent. interest to the end, all the bonds would be redeemed in thirty-five years. The general tendency of interest would, moreover, be downwards, for each industry taken over by the people would narrow the field for the investment of private capital, and it is quite possible that long before the thirty-five years were completed the government would be able to borrow at one per cent. Assuming that the average rate of interest it would be required to pay would be one and one-half per cent., the steel industry would be free of tribute at the end of thirty-two years. Calculations of this sort are obviously not fanciful ; they are doubtless such as experts will be making for congressional committees not many years hence.

IX. INCOMES UNDER COLLECTIVISM.

Do socialists actually believe that everybody should have equal pay ? is a common question

from inquirers. The orthodox doctrinaire socialist *does* believe in equality of incomes; his doctrine of value in exchange, *i. e.*, that such value consists in the labor-time put into the production of the thing exchanged, leads straight to the corollary that under collectivism all working for the state will receive equal salaries, but I have observed of late that some who consider themselves orthodox are relaxing this tenet—they see that human nature must be humored for a century or so. Even the Social Democratic party of Germany, the sacred college of doctrinaire socialism, conceded this principle in the matter of Wilhelm Liebknecht's salary. Liebknecht was the editor of the official socialist newspaper—the *Vorwärts*—and his salary was eighteen hundred dollars a year, though the salary of the compositors on the same journal did not average three hundred dollars a year. In 1892 the socialist congress discussed this disparity, many of the severely orthodox demanding an equality of wages. Liebknecht, in answer, declared that equality under the present industrial and social order was impossible, and the congress decided in his favor and did not clip his salary.

The opportunist socialist recognizes that the general formula, "From each according to his ability, to each according to his need," tends to an equality of incomes as the ultimate

state of things, but that the same formula forbids such equality for a generation or more to come, since the actual needs of all individuals are not equal, necessity being largely a matter of previous custom. What will actually happen under collectivism he reasons out from what is happening now in the government service. Taking the departments at Washington we find that the range of salary in them is about one to eight, the lowest salary for a clerk of full standing being one thousand dollars, and no salary higher than eight thousand dollars being paid to any official. This may be taken as representing the popular sense of what would be the just range of incomes. However, as the great productive industries come to be taken over by the government, it is probable that a few of the highest officials in them will receive salaries, at first as high as twenty thousand dollars, or even higher. The people will permit this, on the ground that the necessarily high grade of talent for such positions cannot be obtained for less. (As an instance, witness the enormous salaries which Australian parliaments have voted, and with such excellent results, for *really* efficient railway commissioners.) It seems certain that the people will not consent that the lowest salary for a fully active man should be less than that which a letter-carrier now receives, one thousand dollars. We may reasonably guess, there-

fore, that the extreme range of incomes, at the end of the period of gradual extension of collectivism, when it is fully established, will be from one thousand to twenty thousand dollars, with very few receiving more than ten thousand dollars, the effective range being therefore from one to ten. Every new labor-saving process invented, every improvement in organization, will at once be hailed by the whole community as a boon to all; such inventions can be availed of, either to shorten the hours of labor of all, or to increase the aggregate amount paid out in salaries. In the latter case doubtless the judgment of the people will be that the increases should be put on at the lower end of the scale, this both because the general well-being of the community will be most effectively increased by conferring on all the people incomes sufficient to mean comfort; and because the shifting sense of justice of the mass of the people will be tending by slow degrees more and more in the direction of the ultimate standard of equality. We may guess that within a century from the beginning of the process the point will be reached where the range from lowest to highest will be as one to two. That range will then be sufficient to stimulate every active man to do his best quite as effectively as is now the actual range in competitive business, which is something like one to one thousand. Yet the range of one to

two will not be sufficient to set up any aristocracy of wealth—in fact, we may believe that social inequality based on occupation or income will have disappeared by the time the standard of one to two has been reached.

We may very well leave it to the people of the twenty-first century to decide *when* the ideal of equality of incomes shall be attained ; it is not a practical problem *now*. It is even possible that the people of that future era may find it will not do to dispense with the incentive of the maximum possibility of receiving twice as high an income as the most of one's fellow citizens. Seeing that the best of our institutions fall far short of the ideal, both in form and in working, why look for a mathematical ideality in this one?

X. OBJECTIONS TO COLLECTIVISM.

Objections to collectivism? As well make objections to next spring, and to as much purpose—so it must strike the student of human affairs, who views the history of the last two centuries, in the light of the inter-action of political with industrial institutions and tendencies. Twenty years ago James Bryce, in speaking of the disillusionment which had followed the brilliant and sanguine democratic movement of the middle of the century in Europe, of the bitter discovery that the looked-for general well-being had not followed the in-

troduction of representative government, said that one solid advantage had been secured to the masses—universal suffrage—a supreme power which could never be taken from them; and that sooner or later the voice of socialism would penetrate their ears, and the experiment of collectivism would be insisted upon by them. This inevitableness has also been acknowledged by Herbert Spencer, in explicit terms, in the same breath in which he bewails it on account of the “universal regimentation” which he imagines socialism will set up. At the present day, all clear and thorough-going thinking on economics lands the student at the goal of collectivism. Those economic writers who balk that conclusion seem to do so of their own choice and not from any logical necessity suggested by the facts.

The socialist who is confronted with forebodings of defects or evils in collectivism may therefore very well say: “Wait and see. Human nature (especially *American* human nature) has a way of rising to emergencies. The system is obviously coming; it will appeal to all the best instincts of mankind; and a way will appear to prevent or remedy any serious flaw, should such manifest itself.” However, I have never known of a socialist’s needing to answer objections by this succinct method; definite replies are near at hand to all the doubts which have been raised.

The classic objection is perhaps that made by Herbert Spencer—in the name of individualism—that collectivism will reduce all men to the regimental condition, under which platoon-labor will destroy individual liberty. The socialist of to-day has no difficulty in refuting this ; he has but to point to the rapid re-organization of great industries which is being accomplished by the leaders in combination of corporations ; and, showing how simple will be the step from ownership by stockholders to ownership by the state, how slight an interference with the administration is involved, he has but to say that collectivism will introduce no new regimentation—it will but dignify and humanize that which has already been effected by the powerful captains of industry ; and that it will do this in the interests of true individualism, to which, in fact, such a step becomes a necessity.

The socialist further replies that the system of collectivism will include a plan for securing, to the individual, freedom of choice between occupations, and freedom of exchange from one occupation to another, such as does not practically exist under competition ; and points as one solution of this minor problem of collectivism to the device for obtaining labor in the least attractive occupation, which is fully described by Bellamy in “Looking Backward.”

An objection which is often made is that when competition is abolished there will be no motive left for individual energy. "Surely," the socialist replies, "this is but a notion of the library and the study. It will not bear the light of day; it is not derived from the facts of human nature. In the heroism of ill-paid sea-faring officers, in all the intense activities of men in military service for their country, in voluntary official work done for the community, in emulative effort of all kinds where there is no pecuniary reward, in the experience of great co-operative societies of Great Britain which have brought to the front many men of marked ability, who have passionately devoted all that ability to the prosperity of their societies —themselves remaining poor, though competent to be the amassers of fortunes—human nature contradicts the libel that there must be a great money prize to bring out the best that there is in men. Our very language bears unconscious testimony to the error of so under-estimating what may be expected of man, if set free from economic tyranny. Consider the meaning we instinctively attach to the word 'manly.' There we may see what we really expect of true human nature.

"Let us look more narrowly into what is likely to happen in view of what has happened in the past. At any given time the conditions

under which men must make their living determine unconsciously what sins shall be deemed crimes, what virtues prime requirements. On the frontier, where a man must have his horse or die, horse stealing, always a sin, becomes the unforgivable sin. In feudal times, when lord takes his living from tenant, and tenant his permission to use the land from lord, justice and graciousness become the demanded qualities of the superior, submission and faithfulness those of the underling, and the cardinal sins are tyranny in one class and disobedience in the other. In commercial times, when all men trade equally one with another, formal honesty is ranked highest of virtues, and to steal, the motive matters not, the abhorred of crimes. In the coming co-operative times, when the industry of every one is a necessity to the prosperity of all, we need not fear but that public opinion will, as of old, be unconsciously coerced into the form which the needs of man demand ; and that laziness, now only mildly condemned, will become the most offensive form of selfishness and vulgarity. Public opinion is at all times the mightiest of stimulating powers except, it may be, hunger (and at times even stronger than hunger). When hunger is abolished, public opinion will be supreme, and what it will then most rigorously frown upon—the shirking of one's fair share of the common work—will still

sometimes happen, but as rarely as now the breaking of the most firmly held precept of the moral code. And what public opinion will most highly commend—any form or amount of special activity or invention which will make work easier or shorter for all the rest—will be the attainment most ardently and passionately craved by all young spirits, always eager as they are by nature for the appreciation of the onlooker.” Thus would the socialist reply to him who thinks of unlimited competition as a goad which we *must* have in order to keep us alive and active.

As the business-life of the future unrolls itself to the mind’s eye of the socialist, he sees emulation taking the place of such competition. The game of business to-day is like foot-ball—the effort is as much to spoil the other fellow’s play as to make one’s own ; but the game of business *then* will be like golf, in which the sole point lies in making a better record than another man’s, though his be a good one, and like golf, it will not lack excitement or ample stimulus.

To stimulate invention will be the special care of the men in charge of affairs, who will crave the glory that will come to them from the successful carrying on of industry. Ample play will be found for man’s instinct for distinguishing himself above his fellows ; special distinctions will follow special beneficent

achievements more surely and more justly than they do under competition. The invention of a new device for facilitating production or distribution,—lightening, as every such device will, the burden of labor for all the citizens,—will be rewarded no doubt by conferring on the inventor a free income for life, and in special cases by honors, titles and decorations—all of which are visible symbols of that recognition by our fellow-beings, the craving for which is one of the best and most humane traits of man.

The advocate of collectivism is often, (though less frequently as time goes on) met by the cry—"Governments are so corrupt, politicians are such bad men, that no powers ought to be entrusted to government which can possibly be withheld." The socialist looks upon this cry as a confession of weakness on the part of the passively good—a dainty species of anarchism with which he has little patience. He points out that "the government" consists simply of individuals, men much like other men, who are temporarily clothed with certain special powers and who are perfectly aware that these powers are conferred upon them to be used for the public welfare in appointed ways. This knowledge does exercise a constant pressure upon them, conscious and unconscious, to act as they should act, and, as a rule, they obey this pressure. Consider the vast amount of daily actions of offi-

cials of all grades throughout the civilized countries ; the overwhelming majority of these acts are for good ; it is only exceptionally here and there that an official acts for his own selfish benefit to the public detriment. This great volume of healthy, normal, official action goes on unnoticed by the newspapers and the public ; it is the exceptional evil conduct which is commented upon, and which, by those who do not inquire deeply, is thought to be characteristic.

The corruption of government lies at the points where commercialism and government are in touch, and *it arises from that contact*. Most of it consists in bribery more or less directly offered by business men and corporations for privileges and exemptions which they desire. Under collectivism the source of this corruption would be dried up, inasmuch as there would be no business privileges to be bought or sold. That special branch of commercialism which is most prolific in corruption—the liquor traffic—would at once disappear under collectivism. Moreover, it is within the ability of the people at any time to put an end to legislative corruption, as has been done in Switzerland, by assuming the power of the referendum, and to put an end to a like evil in administration by assuming the power of recall of any officer who is no longer to be trusted.

XI. THE SOCIALIST FAITH.

Such is the socialist position, and such the socialist program. A word remains to be said of the faith of socialism—that unwavering certainty of its absolute righteousness and of its ultimate triumph. The true believer finds in socialism that which satisfies the needs both of the mind and of the heart. He feels that here at last and here only he has a real synthesis of human affairs. He feels that he has the clue to the course of human history; to his instructed eyes the most surprising movements in the world-drama fall into an intelligible plot, and for him life has no tediousness. Above all he is conscious of that high privilege—the special birthright of man as a spirit—the merging of himself into a worthy cause; and he finds in socialism a cause which, unlike other causes, never entails even a moment's misgiving of harmfulness—not even of uselessness; a propaganda generous, rational, intense and full of hope; a campaign which is to make the twentieth century glorious for us Americans, as the campaign against monarchy made glorious the eighteenth and that against slavery the nineteenth century—with the difference that the achievement now before us will be more divine by far than either of the other two, in the respect that it is to be reached, not through the anguish of war, but through the peaceful debates and ballots of free men.

EXTRACTS FROM THE CONSTITUTION [OF] THE COLLECTIVIST SOCIETY.

We believe that the true principle of production and distribution is expressed in the dictum—"From each according to his ability, to each according to his need." This principle requires that all should have the opportunity of useful work, and that all should engage in useful work under the penalty of public disgrace; that all should receive comfortable incomes except those who will not work, and that none should receive excessively high incomes, as the latter are morally injurious both to the recipient and to the community. The ultimate operation of this principle will be toward the ideal of practical equality of incomes.

* * * * *

We believe that the establishment of this principle will require the transfer of the means of production and distribution into the hands of the community; and that every transfer of this nature must be accompanied by just compensation.

* * * * *

We believe that the measures which at present promise best results are:

Legislation to secure work to the unemployed; to establish a maximum day and a minimum wage for all workers; and to provide pensions for the aged.

The taxation of franchises at their full value, and the graduated taxation of land-values, incomes and inheritances.

The assumption by city and state governments of enlarged and new activities for the common benefit, including the ownership of public utilities.

The assumption by the national government of the telegraphs, railroads and mines.

We pledge ourselves:

To work for the establishment of the principle declared above by such means as are for each most practicable.

To study the labor question and the various movements for social betterment earnestly and without prejudice.

To use our best efforts to strengthen and promote the labor-union movement.

To cherish comradeship with all in every country who are working in a humane spirit for the cause of social betterment whether within or without the political socialist movement.

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